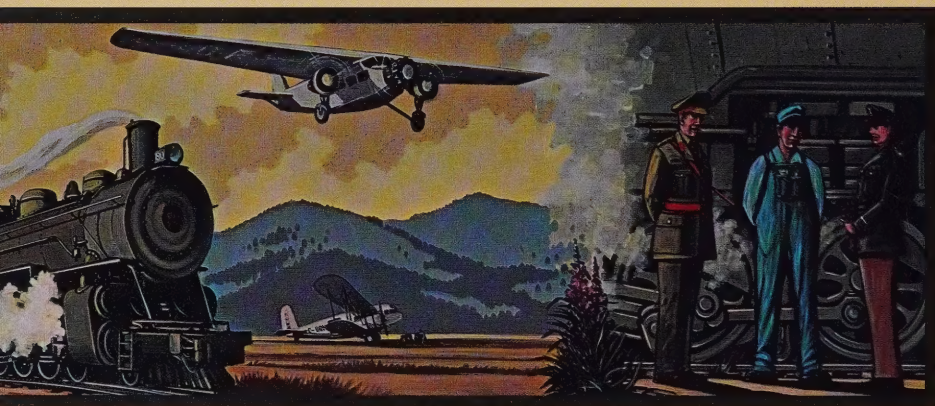
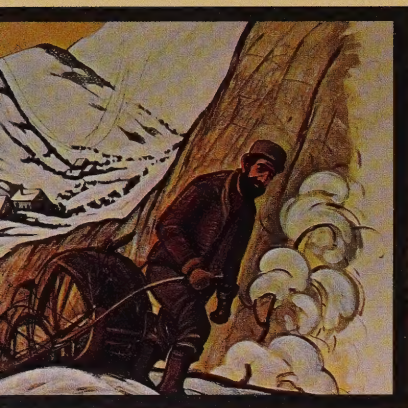




The White Pass and Yukon Corporation Limited Annual Report 1971





n Limited

B.E., Vancouver, B.C.

couver, B.C.

RCY, London, England

ER, Oakland, California

ancouver, B.C.

London, England

Vancouver, B.C.

oronto, Ontario

onto, Ontario

Seattle, Washington

Treasurer

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RANSFER AGENT

ares)

OMPANY

to and Montreal



Report to Shareholders

GENERAL ACTIVITY

The year 1971 saw the volume of business activities in the Yukon continue to grow although, as expected, not at the high rate reached in some recent years of rapid development. Mineral production continued to expand.

There was a moderate increase in general northbound freight and in the sales of petroleum products. The number of rail passengers carried continued to increase, as did the total number of tourists visiting the north. The tourist industry continues to be an important and growing factor in the economy of Alaska and the Yukon.

Oil drilling activity in the Eagle Plain and Ogilvie Mountain areas continued during the year and into 1972. An important find would touch off greatly increased exploration and development activity, and this in turn would generate increases in the volume of northbound drilling supplies and equipment.

Construction is continuing on the Dempster Highway which, by 1974, will link the highway system of the Yukon with the lower Mackenzie basin, opening this area of the far north for the first time to year-round surface transportation. When the road is completed we expect to be active in the transportation of freight to this area of the Northwest Territories.

EARNINGS

Both gross revenues and net earnings of the Company reached new all-time highs in 1971. Gross revenues were \$36,071,824 and net earnings were \$2,257,115. Earnings per common share were \$1.00 in 1971 compared to 65¢ in 1970. Cash flow amounted to \$6,290,584, or \$3.14 per common share, an all-time record.

The increase in gross revenues was attributable mainly to higher shipments of mineral products. The increase in shipments of this type of freight was 40% over that for the year 1970.

Earnings during the year were not affected by strikes.

CAPITAL ITEMS

Working capital increased during the year from

\$3,583,372 to \$6,359,992. The principal factors involved are set out in the Statement of Source and Application of Funds forming part of the audited Financial Statements.

Capital expenditures for the year totalled \$3,683,514, of which the principal items were as follows:

Railway maintenance shop	
Skagway	\$1,091,447
Truck equipment	765,478
Replacement of 18 miles of 70 lb. rail with new 85 lb. rail	785,053
Truck terminal and garage—	
Dawson Creek	345,240

The structure of the Company's term bank loan was modified late in the year. Term bank loans at the end of the year amounted to \$4.5 million, repayable in half yearly installments of \$500,000, commencing July 1, 1973.

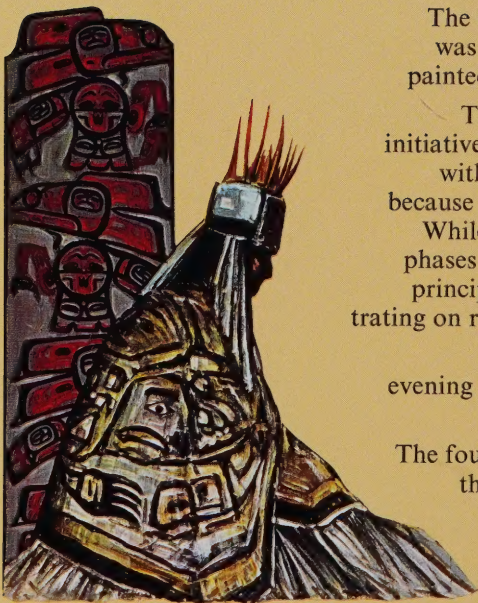
THE FUTURE

Freight prospects for 1972 are favourable. We expect that the Company will carry approximately the same volume of mineral products as it did in 1971. Revenues will, however, be increased by the taking over of a substantial volume of truck haul freight which was formerly carried from mines to railhead at Whitehorse in vehicles operated by the mining companies.

Other general business activities are expected to continue at about the same or slightly higher level than last year.

As to the long-term future, we are optimistic, subject always to the influences of national and international economic conditions which determine the level of demand and the market prices for metals, and subject also to the degree of continued inflationary pressures in Canada and the United States. If these qualifying factors are reasonably favourable, business activity in the territory will continue to grow and the Company will share in this growth.

During the past year shareholders will have heard and read news reports relating to rail ex-



The mural reproduced on the front cover was conceived, researched, designed and painted by Charles Baker and Roy Minter.

They undertook the task on their own initiative, partly because they are enamoured with the history of the north, and partly because they both enjoy a creative challenge.

While they worked closely together on all phases of the mural, Charles Baker was the principal painter with Roy Minter concentrating on research, design and story continuity.

The mural represents 2,400 hours of evening and weekend work over a period of eighteen months.

The four panels will be hung on the walls of the passenger waiting room in the new railway depot at Skagway, Alaska.

The story in the mural is on the back cover.

The White Pass and Yukon Corporation Limited

Head Office: 510 West Hastings Street, Vancouver, B.C.

DIRECTORS

Honorary Chairman

FRANK H. BROWN, C.B.E., Vancouver, B.C.

Chairman of the Board

RALPH D. BAKER, Vancouver, B.C.

NORMAN F. W. H. D'ARCY, London, England

HERBERT L. FAULKNER, Oakland, California

ALBERT P. FRIESEN, Vancouver, B.C.

RUPERT N. HAMBRO, London, England

GERALD H. D. HOBBS, Vancouver, B.C.

GAVIN W. H. RELLY, Toronto, Ontario

GERALD J. RISBY, Toronto, Ontario

CLIFFORD J. ROGERS, Seattle, Washington

OFFICERS

Chairman of the Board

RALPH D. BAKER

President

ALBERT P. FRIESEN

Vice President Finance, and Treasurer

FREDERICK D. SMITH

Vice President Operations

MARVIN P. TAYLOR

Vice President Corporate Communications

ROY S. MINTER

Vice President Administration

CHARLES W. KINGSTON

Secretary

JOHN S. BUTTERFIELD

REGISTRAR AND TRANSFER AGENT

(Common and Preferred Shares)

THE ROYAL TRUST COMPANY

Vancouver, Calgary, Toronto and Montreal

tensions to the Yukon from existing rail systems in British Columbia. These reports have given rise to speculation, rumour and uninformed opinion. That the Yukon Territory is served by an integrated transportation system, with a capability for substantial expansion, is a fact that completely escaped recognition by one leading Canadian newspaper, which was moved to comment on its editorial page that the Yukon's mineral wealth is being left in the ground for want of transportation. The reproduction of the attractive mural on the cover of this report is a reminder of the Company's long and colourful history and its record of seventy-four years of uninterrupted service to the Yukon.

It is apparent to us that the new rail lines visualized as extending north into the Yukon would be uneconomic in relation to the volumes of traffic available, and could not be justified by any commercial standards of financial return on investment. An extension to Yukon would involve substantial Government appropriation of tax monies and/or Government guarantees of financial indebtedness.

Since the heaviest movement of Yukon freight is mineral products destined to the markets of the world, largely overseas, the key to minimum freight costs is the use of the shortest and most direct overland route from millsite to deep-sea port. Even with the kind of subsidization presently indicated for a new rail route from the south, this freight will continue to move to tide-water at Skagway, where it is transferred to ocean-going ships, the cheapest form of transportation in the world.

We think it is unlikely that a rail extension to the Yukon will be built for many years.

RECOGNITION

Shareholders will be interested to learn that during the year the Association of Consulting Engineers of Canada presented two awards for design of equipment developed specifically for the Company's requirements. An Award of Merit was made for the "parabolic" container used to transport lead and zinc concentrates, and an Award of Merit for the shiploader, which is a part of the bulk storage and loading terminal at Skagway (both illustrated in the Annual Report for 1969). The Company's latest film "Brave New North", which was produced in 1970, won the Premier Gold Camera Award in Chicago against 450 films entered from 12 countries.

DIRECTORS

At a meeting of the Board held in October, Directors regretfully accepted the resignation, for reasons of health, of Frank H. Brown as Chairman of the Board. Mr. Brown has served continuously as President and latterly as Chairman since 1951. He has made a towering contribution to the progress and development of the Company in the last twenty years, during which the Company was transformed from a run-down facility to a modern ship-train-truck containerized transportation service and an efficient ship-pipeline-truck wholesale distribution system for petroleum products.

Mr. Brown has been appointed Honorary Chairman and continues to serve as Director. He has also agreed to hold himself available as a consultant and advisor to the Board and to Management.

Concurrent with Mr. Brown's resignation, Ralph D. Baker has been appointed Chairman of the Board. Mr. Baker has been an active and interested Director of the Company for over twenty years, and has had a first-hand acquaintance with the Yukon and Alaska for almost fifty years.

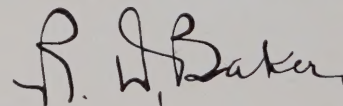
Alan B. McKerron resigned from the Board in November, 1971, prior to taking up residence in South Africa. The vacancy was filled by the appointment of Gerald J. Risby.

All Directors are eligible for re-election.

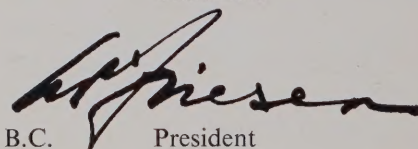
MANAGEMENT, STAFF AND EMPLOYEES

The year 1971 has been a busy and demanding one and has challenged the ability of management and staff to control costs in the light of increasing inflationary pressures. It is a pleasure to acknowledge the loyalty and resourcefulness of all employees whose efforts have contributed to the Company's success.

ON BEHALF OF THE BOARD OF DIRECTORS



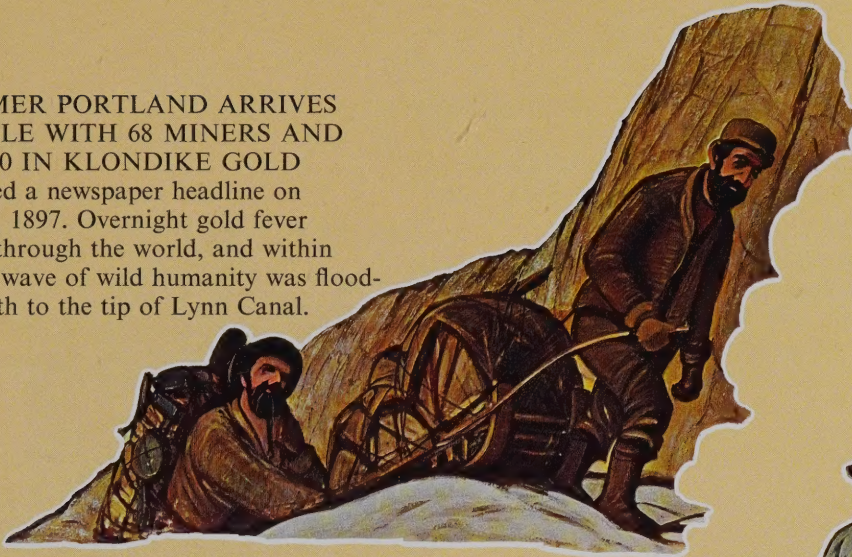
Chairman



President

Vancouver, B.C.
March 15, 1972

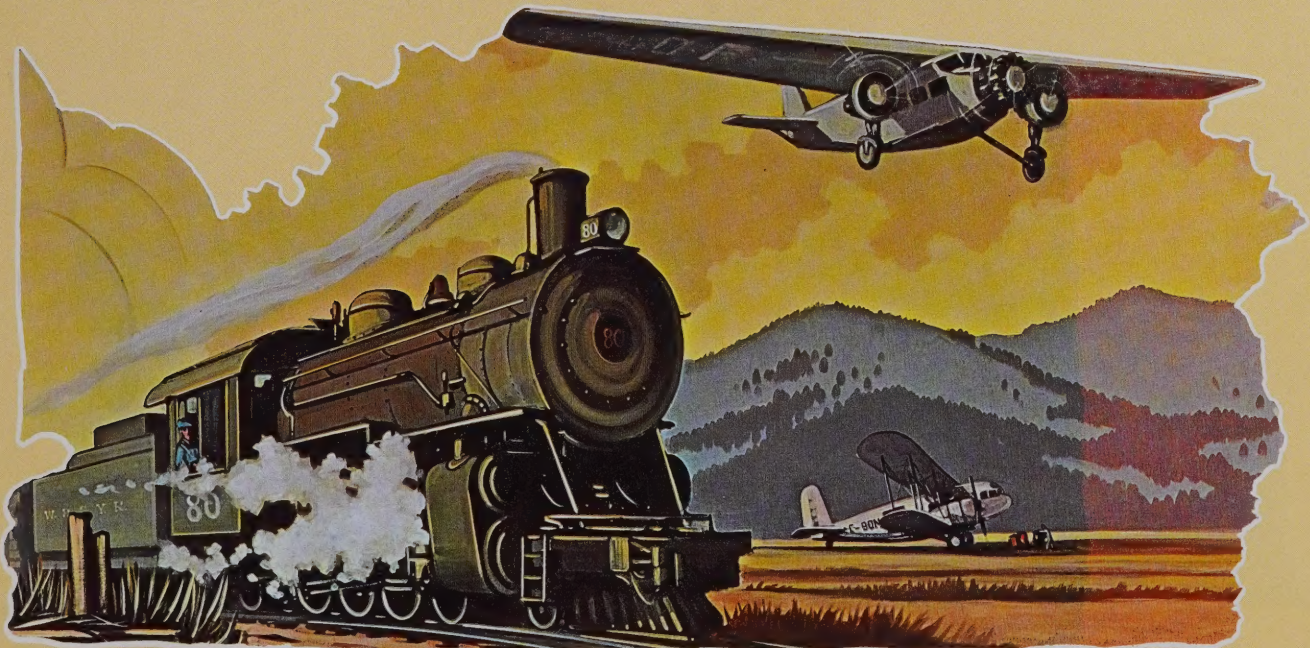
STEAMER PORTLAND ARRIVES SEATTLE WITH 68 MINERS AND \$700,000 IN KLONDIKE GOLD screamed a newspaper headline on July 17, 1897. Overnight gold fever ripped through the world, and within days, a wave of wild humanity was flooding north to the tip of Lynn Canal.



Each gold-seeker was obliged to manhandle one ton of supplies across the mountains and into the Yukon. To reduce labor, time and costs the sourdoughs chose the quickest, easiest and least costly route.

One year later, in 1898, the builders of the White Pass railway selected the same route—and for the same reasons.

For seventy-four years now, through steam, airplane and diesel, the White Pass has carried Yukon freight over this route because no other route can match it in terms of labor, time and costs—a fact well known to the sourdoughs over seventy-five years ago.



Ships and sailors have been part of the White Pass almost since the beginning. For fifty-five years the Company's River Division operated a fleet of sternwheel riverboats between railhead at Whitehorse and Dawson City—the last boat operating in 1955.

The early fifties were busy years for the company. Promises of the post-war years were beginning to be realized. The Yukon, after nearly half a century of quiet activity, was springing to life. Mining and exploration were on the upswing. Positive signs of industrial and social development, coupled with the Yukon's many attractions, were generating a growth in population. Faith in the country was renewed.

During these years the White Pass laid the foundation for the Yukon's continuing development through the upgrading and expansion of its facilities—well ahead of need. A fleet of heavy-duty trucks replaced the riverboat service. Steam locomotives gave way to diesel, and the container concept of freight handling was introduced.

In 1955, the year the riverboats were retired from service, the White Pass Ocean Division was created. Now, by rail and highway services, coupled with the original 7' x 8' x 8' containers and the 4,000 ton containership M.V. Clifford J. Rogers, the Yukon became the first area in the world served by an integrated ship-train-truck container transportation system.



THE WHITE PASS AND YUKON CORPORATION LIMITED
and subsidiary companies

Consolidated Statement of Earnings and Retained Earnings

YEAR ENDED DECEMBER 31, 1971
(with comparative figures for 1970)

	1971	1970
OPERATING INCOME:		
Revenue and sales (<i>note 6</i>)	\$36,071,824	\$29,200,682
Cost of sales and operating expenses other than depreciation and interest on long-term debt	28,646,177	23,111,688
Depreciation	2,967,465	2,708,112
Interest on long-term debt and amortization of discount and issue expense	869,547	964,113
	<u>32,483,189</u>	<u>26,783,913</u>
Operating income before income taxes	3,588,635	2,416,769
Income taxes	<u>1,581,000</u>	<u>1,113,000</u>
Net operating income	2,007,635	1,303,769
OTHER INCOME:		
Interest, less income taxes of: 1971 \$69,000; 1970 \$26,000 . . .	76,079	25,862
Gain on sale of land	165,107	20,919
Profit on 4½% first debenture stock 1961/76 purchased and transferred to sinking fund	<u>8,294</u>	<u>11,268</u>
EARNINGS FOR YEAR BEFORE SPECIAL ITEM	2,257,115	1,361,818
SPECIAL ITEM:		
Proceeds of fire insurance claim in excess of book value of assets less income taxes of \$198,075		<u>239,258</u>
NET EARNINGS FOR YEAR	2,257,115	1,601,076
RETAINED EARNINGS, BEGINNING OF YEAR	11,316,761	10,558,814
	<u>13,573,876</u>	<u>12,159,890</u>
Dividends paid: Preferred shares (\$1.6875 per share)	371,250	371,250
Common shares (\$0.25 per share)	471,879	471,879
	<u>843,129</u>	<u>843,129</u>
RETAINED EARNINGS, END OF YEAR	<u>\$12,730,747</u>	<u>\$11,316,761</u>
EARNINGS PER ISSUED COMMON SHARE:		
Earnings for year before special item	\$1.00	\$.52
Net earnings for year	\$1.00	\$.65

The accompanying notes are an integral part of the financial statements.

THE WHITE PASS AND YUKON CORPORATION LIMITED (Incorporated under the laws of Canada)
and subsidiary companies

Consolidated Balance Sheet, December 31, 1971

(with comparative figures at December 31, 1970)

	1971	1970
ASSETS		
CURRENT:		
Cash and short-term deposits	\$ 1,193,760	\$ 44,524
Accounts receivable	6,132,200	5,018,699
Inventories—at the lower of cost or net realizable value:		
Petroleum products and tires	2,289,525	2,326,977
Materials and supplies	1,994,661	1,563,959
Prepaid expenses	264,765	145,826
Total current assets	<u>11,874,911</u>	<u>9,099,985</u>
 MORTGAGES AND AGREEMENTS RECEIVABLE	 <u>585,379</u>	 <u>683,564</u>
 FIXED—at cost:		
Rail property and equipment	25,388,389	23,504,143
Ships, freight containers, motor vehicles, buildings, pipeline and other property	<u>29,138,836</u>	<u>27,692,495</u>
	54,527,225	51,196,638
Less accumulated depreciation	<u>14,295,446</u>	<u>11,680,909</u>
	<u>40,231,779</u>	<u>39,515,729</u>
 DISCOUNT AND ISSUE EXPENSE OF LONG-TERM DEBT LESS AMOUNTS WRITTEN OFF	 <u>86,187</u>	 <u>99,576</u>
 On behalf of the Board:		
F. H. BROWN, <i>Director</i>		
A. P. FRIESEN, <i>Director</i>		
	 <u>\$52,778,256</u>	 <u>\$49,398,854</u>

The accompanying notes are an integral part of the financial statements.

LIABILITIES

CURRENT:

Bank loan—secured.....		\$ 500,000
Accounts payable and accrued charges.....	\$ 4,163,697	3,526,092
Current instalments of long-term debt.....	791,306	817,521
Income and other taxes payable.....	559,916	673,000
Total current liabilities.....	<u>5,514,919</u>	<u>5,516,613</u>

PROVISION FOR COMPANY PORTION OF INSURANCE COVERAGE.....

1971	1970
175,000	175,000

LONG-TERM DEBT (note 2).....	11,592,129	10,677,635
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DEFERRED INCOME TAXES.....	5,628,327	4,566,287
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SHAREHOLDERS' EQUITY

Capital (note 3)

Authorized:

500,000 cumulative redeemable preferred shares with a
par value of \$25 each, issuable in series

2,500,000 common shares without par value

Issued and fully paid:

220,000 6¾% preferred shares Series A.....	5,500,000	5,500,000
1,887,516 common shares.....	4,749,591	4,749,591
Surplus resulting from consolidation (note 4).....	6,887,543	6,896,967
Retained earnings.....	12,730,747	11,316,761
	<u>29,867,881</u>	<u>28,463,319</u>
	<u>\$52,778,256</u>	<u>\$49,398,854</u>

THE WHITE PASS AND YUKON CORPORATION LIMITED
and subsidiary companies

Consolidated Statement of Source and Application of Funds

YEAR ENDED DECEMBER 31, 1971
(with comparative figures for 1970)

SOURCE OF FUNDS:

	1971	1970
Net earnings for year.....	\$ 2,257,115	\$ 1,601,076
Charges to earnings not resulting in an outlay of funds		
Depreciation.....	2,967,465	2,708,112
Deferred income taxes.....	1,062,040	814,506
Provision for company portion of insurance coverage.....		30,000
Other.....	3,964	992
	<u>6,290,584</u>	<u>5,154,686</u>
Net reduction in mortgages and agreements receivable.....	98,185	(5,716)
Term bank loan.....	1,700,000	
	<u>8,088,769</u>	<u>5,148,970</u>

APPLICATION OF FUNDS:

Additions to fixed assets—net.....	3,683,514	2,343,121
Reduction in long-term debt other than bank loan.....	785,506	1,596,627
Dividends paid.....	843,129	843,129
	<u>5,312,149</u>	<u>4,782,877</u>

INCREASE IN WORKING CAPITAL.....	2,776,620	366,093
WORKING CAPITAL, BEGINNING OF YEAR.....	<u>3,583,372</u>	<u>3,217,279</u>
WORKING CAPITAL, END OF YEAR.....	<u>\$ 6,359,992</u>	<u>\$ 3,583,372</u>

The accompanying notes are an integral part of the financial statements.

Auditors' Report

To the Shareholders of The White Pass and Yukon Corporation Limited:

We have examined the consolidated balance sheet of The White Pass and Yukon Corporation Limited and subsidiary companies as at December 31, 1971 and the consolidated statements of earnings and retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company and its subsidiaries as at December 31, 1971 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, Canada.
March 14, 1972.

CLARKSON, GORDON & CO.,
Chartered Accountants.

THE WHITE PASS AND YUKON CORPORATION LIMITED
and subsidiary companies

Notes to Consolidated Financial Statements

December 31, 1971

1. The accompanying financial statements consolidate the accounts of all subsidiaries. The accounts of certain subsidiaries are maintained in United States dollars, which have been translated into Canadian dollars as follows: current assets and current liabilities at exchange rates prevailing at the end of the year; fixed assets, depreciation provisions and long-term debt substantially on the basis of rates prevailing at date of acquisition; income and expenses (other than depreciation provisions) on the basis of average exchange rates during the year. Exchange gains or losses from such translation practices have been transferred to consolidated income or expense.

2. Long-term debt comprises the following:	1971	1970
(a) Funded debt		
4½% first debenture stock 1961/76.....	\$ 1,173,300	\$ 1,229,200
5% convertible debenture stock 1961/76 (conversion rights expired)...	851,050	851,050
5½% unsecured loan stock 1963/78.....	1,100,000	1,100,000
	<u>3,124,350</u>	<u>3,180,250</u>
Less purchased and held by subsidiaries.....	520,250	576,150
	<u>2,604,100</u>	<u>2,604,100</u>
(b) 6½% and 8½% first ship mortgage notes, with aggregate annual principal repayments of \$320,000 to 1980 and \$325,000 thereafter to 1984.....	4,180,000	4,500,000
(c) 7¼%-9½% conditional sales contracts (including U.S. \$157,292) with aggregate annual principal repayments of \$471,306 in 1972 and \$314,015 thereafter to 1974.....	1,099,335	1,591,056
(d) Bank loan, interest at 1% above prime rate, with aggregate annual principal repayment of \$500,000 in 1973 and \$1,000,000 thereafter....	4,500,000	3,300,000
Total long-term debt.....	<u>12,383,435</u>	<u>11,995,156</u>
Less current instalments.....	791,306	1,317,521
Net long-term debt.....	<u>\$11,592,129</u>	<u>\$10,677,635</u>

3. Warrants outstanding as at December 31, 1971 entitle the bearers thereof to purchase an aggregate of 110,000 common shares at a price of \$27 up to February 1, 1972 and \$30 thereafter to February 1, 1973. 110,000 common shares are reserved for redemption of these warrants. No warrants were exercised in 1971.

The preferred shares of each series are redeemable by the Company out of capital or otherwise, at such redemption prices as may be provided in the conditions attaching to such shares. Upon redemption of preferred shares Series A, the Company will pay redemption prices varying from \$26.69 per share prior to December 1, 1972 to \$25.25 after December 1, 1980.

During 1971 certain officers of the Company were granted options to purchase an aggregate of 4,000 common shares of the Company at a price of \$8.25 per share. The options are exercisable at any time prior to November 12, 1976 as to 2,000 shares and, as to the remaining 2,000 shares, are exercisable non-cumulatively at the rate of 400 shares per year during the five year period ending November 11, 1976. No options were exercised during 1971 and an option to purchase 1,000 common shares at a price of \$22.275 per share was cancelled.

4. The surplus resulting from consolidation is as follows:	1971	1970
Excess of net book value of subsidiaries at the date of acquisition over cost to the parent.....	\$ 6,778,603	\$ 6,778,603
Excess of par value over purchase price of the parent company's debt securities purchased and held by subsidiaries.....	108,940	118,364
	<u>\$ 6,887,543</u>	<u>\$ 6,896,967</u>

5. Remuneration of Directors and Officers for the year 1971: Section 122.2 of the Canada Corporations Act requires the Company to state that the number of directors of The White Pass and Yukon Corporation Limited is eleven and that their aggregate remuneration as directors was \$10,000. The number of officers is nine and their aggregate remuneration as officers of the Company and its subsidiary companies was \$209,960. The number of officers of the Company and its subsidiary companies who are also directors of the Company is four. There was no remuneration of any person as an officer or director of the Company or any of its subsidiary companies, save as above stated.

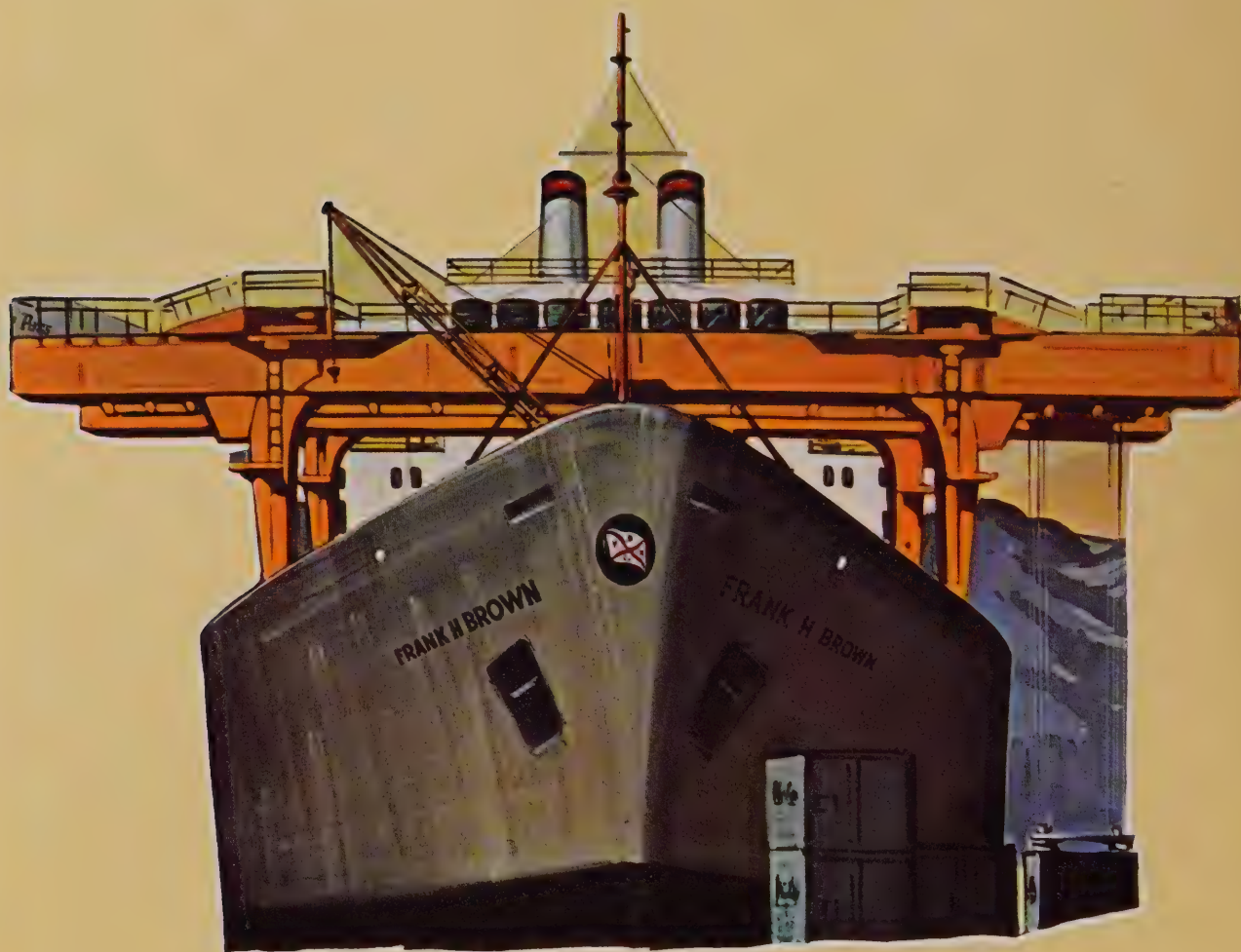
6. Revenue and sales for 1971 of \$36,071,824 include transportation revenue of \$24,763,592 and revenue from petroleum sales and related marketing activities of \$10,606,254.

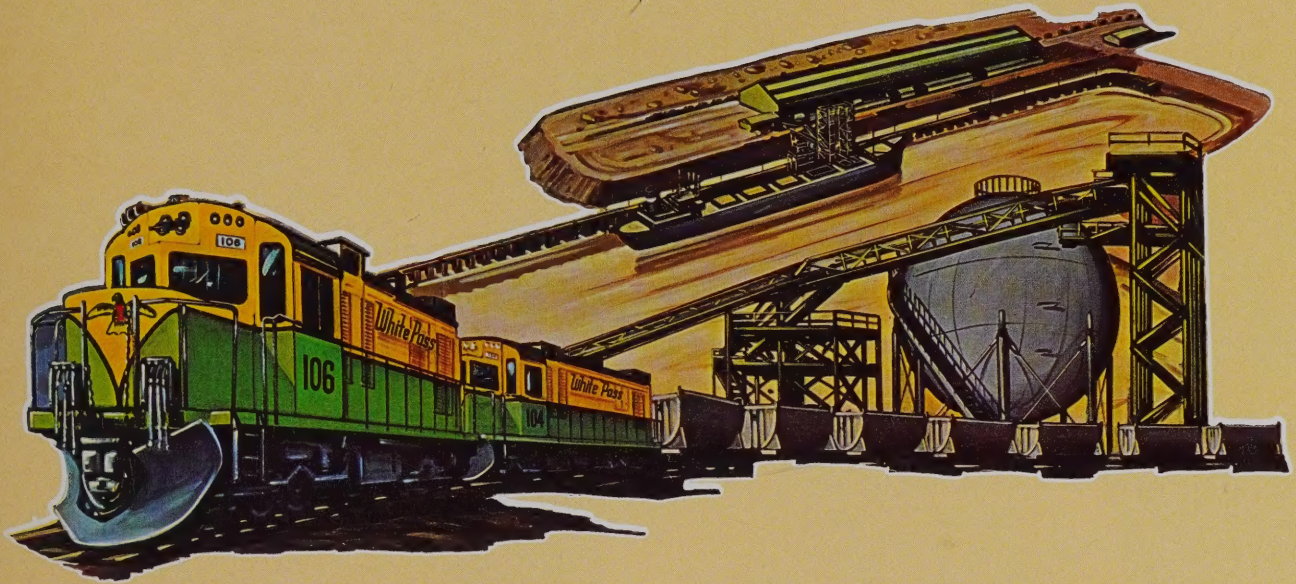


Throughout the fifties and sixties the Yukon's resource production continued to grow, providing higher volumes of freight. Increased annual tonnage, combined with extremely efficient transportation equipment, enabled the White Pass to reduce freight rates on large volume movements and hold the line on others—despite the continuing inflationary spiral.

In 1965, after ten years of northern operations, the M.V. Clifford J. Rogers was replaced by the 6,000 ton containership M.V. Frank H. Brown, which was joined in 1969 by her sister ship, the M.V. Klondike.

Today, the two ships, with the company's up-graded rail and highway facilities, transport thousands of tons of Yukon freight on a weekly schedule—with reserve capacity to carry more.





The Yukon is fortunate in that its principal mineral resource areas are within a few hundred miles of tidewater.

To provide transportation support for the Yukon's developing mining industry, complete deep-sea port and concentrate storage facilities are maintained by the company at Skagway, Alaska—a year-round ice-free port only 110 miles from Whitehorse, Yukon.

Into Skagway from the south flows freight for the Yukon's domestic and industrial development. Into Skagway from the north flows Yukon asbestos fibre; silver, lead and zinc concentrates—some for onward shipment to Vancouver by the company's Ocean Division, and some directly to overseas markets in Europe and Japan.

Whether northbound or southbound, the route is still the same as the one selected by the sourdoughs who landed at Skagway in 1897. It's the same because it's still the shortest and the most economical. Only the equipment has changed.





Managers and Heads of the Operating Divisions and Service Departments

GENERAL OFFICES AND OPERATING DIVISIONS

Assistant to Vice President Operations

A. P. PHILIPSEN, Whitehorse

Superintendent, Rail Division

E. C. HANOUSEK, Skagway

Manager, Petroleum Division

P. G. DELANEY, Whitehorse

Manager, Ocean Division

S. KOLLBAER, North Vancouver

Manager, Whitehorse Freight Terminal

F. A. TAYLOR, Whitehorse

Superintendent, Pipeline Division

G. L. BUDD, Skagway

Manager, Loiselle Transport Division

P. G. LOISELLE, Dawson Creek

Manager, Skagway Bulk Terminal

G. W. KNAPP, Skagway

SERVICE DEPARTMENTS

Manager, Freight Sales and Service

D. H. SLADDEN, Vancouver

Manager, Passenger Sales and Service

F. G. DOWNEY, Seattle

Manager, Public Relations & Advertising

J. D. GILLIS, Whitehorse

Manager, Systems and E.D.P.

J. A. SINCLAIR, C.A., Vancouver

Purchasing Agent—Canadian Operations

G. E. HARRISON, Vancouver

Comptroller

R. W. UNSWORTH, C.A., Vancouver

Assistant Comptroller

E. G. HARTMANN, R.I.A., Vancouver

Assistant to Comptroller

W. J. DONALD, Whitehorse

Staff Engineer and Geologist

C. J. BROWN, P.Eng., Vancouver

Manager, Industrial Relations

R. J. MOFFAT, Vancouver

The Story in the Mural

PANEL ONE (19'2½" x 4'). The crack of the broad axe shattered the silence of the valley that would be Skagway, as Captain William Moore and his son Bernard cut their logs for a wharf—a wharf to serve a gold rush that hadn't happened, but would happen soon if one believed the Captain's dreams; and the Chilkoot Indians wondered as they watched the wharf grow and listened to the Captain speak of a railroad that one day would ribbon north from Skagway to the land beyond the mountains.

Ten years passed before the Captain was proved right about the yellow metal. In 1897 the steamer Portland arrived in Seattle with a ton of Klondike gold, an event headlined in the July 17 edition of the Seattle Post-Intelligencer. Overnight the mad rush to the Klondike was underway. A gold-crazed horde surged north to the tip of Lynn Canal in anything that would float, and spread through the Skagway valley overrunning Captain Moore's land in their wild scramble for space to pitch their tents.

Ever-present and alive to opportunity was "Soapy" Smith, Skagway's frontier sharpie, who occupied his time in the shady business of duping the miners of their gold—and death in a Skagway gunfight would be his reward.

These were the boom days of Skagway, when the sourdoughs surged north to the Klondike through the Chilkoot Pass and the White Pass, two rugged notches in an awesome mountain barrier they would never forget.

PANEL TWO (20'10" x 4'). News of the Klondike Gold Rush reached London, England, in the summer of 1897 and with it came Captain Moore's dream of a railroad through the White Pass to the Yukon. Sensing opportunity, Close Bros., a British financial house, dispatched a survey party to assess the practicability of building a railway that would connect the Yukon with the sea. Sir Thomas Tancred and Samuel H. Graves, with engineers E. C. Hawkins and John Hislop, decided, after a comprehensive examination, that a railway through the White Pass could not be built.

Then fate intervened.

Michael J. Heney, a young Canadian railway contractor, who had recently completed an independent survey of the White Pass was convinced that a railway could be built, and that he was the one to build it. Quite by chance, Heney met the Close Bros. group in Skagway's St. James Hotel bar, and, after arguing through the night, convinced Sir Thomas that the railway could be built—must be built—and he would build it if Close Bros. would provide the funds.

By early dawn, Sir Thomas was convinced.

In May, 1898, work started on what has been described as the toughest railway construction job ever undertaken. The grade crews blasted and hacked their way through the virgin granite, at times hanging by ropes to "double jack" blast-holes into the sheer cliffs. With nothing but horses, black powder and men, the grade advanced against geography and the elements, and by June, 1899, construction had reached Lake Bennett—forty miles north of Skagway.

The railway was built by the most educated crews ever employed on a construction job. Klondike-bound and flat broke, many a doctor, lawyer, dentist or minister replenished his purse by swinging a White Pass pick on the grade.

PANEL THREE (25'9¼" x 4'). On July 29, 1900, after 27 months of toil, the "Golden Spike" was driven home at Carcross, Yukon, and within a few minutes a train was dispatched with the company's first load of through freight. Captain Moore's dream of 13 years had come true and the White Pass & Yukon Route was a going concern.

Within months the White Pass & Yukon Route's River Division was inaugurated. Using coastal steamers combined with White Pass rail and riverboat services, it was possible, by 1901, to travel from Seattle to Dawson City—first class—in only eight days.

Through World War I, the twenties and the thirties, the railroad kept rolling despite the depression and limited Yukon mining activity.

In the middle thirties, the White Pass developed a scheduled airline, the workhorses being the Ford Tri-Motor airplane and the Condor Biplane. In the early forties the airline was sold to a company formed by Grant McConachie which was later succeeded by Canadian Pacific Airlines.

During World War II the White Pass once again became involved in a northern human drama. Manpower, United States military establishments, and mountains of material required for the construction of the Alaska Highway, were transported from Skagway to Whitehorse. So great was the military demand on the company that the railway was operated by the United States Army for the duration of the war.

During April, 1943, the Earl of Athlone, Governor-General of Canada, in company with the commander of the American forces, inspected the White Pass railway, and White Pass-built airstrips which were used in the delivery of American-built bombers and fighters for the Soviet Union's war effort.

PANEL FOUR (20'7¼" x 4'). During the post-war years the White Pass & Yukon Route completely revised its freight-handling methods. It introduced the container concept of freight handling into world transportation thinking and, in 1955, launched the M.V. Clifford J. Rogers, the first vessel in the world built from the keel up as a container ship.

The moan of the diesel locomotive whistles replaced the shrill of the steam engines', and trucks took over from the historic riverboats. By late 1955 the company was operating a completely integrated ship-train-truck containerized transportation system, changing the living standards of the north.

Within ten years the M.V. Clifford J. Rogers was replaced by a sophisticated container-tanker ship christened M.V. Frank H. Brown, honouring the White Pass president who conceived the integrated container system and set it in motion. With the "Brown" came larger containers, the huge straddle carriers and new port facilities in Vancouver and Skagway.

The M.V. Klondike, a sister ship to the "Brown", was launched in 1969.

With the Yukon's mining development steadily increasing, new and heavier locomotives were placed in service, and special "tear-drop" containers to haul mine products to the sea. Today the company's Bulk Storage and Loading Terminal stores thousands of tons of metal concentrates for delivery to ocean-going ore carriers and the markets of the world.

Skagway, the Klondike Gold Rush boomtown, is the realization of an old man's dream—a dream come true.